Missouri Department of Natural Resources
"Integrity and excellence in all we do"

Financial Responsibility Requirements for Underground Storage Tanks

Hazardous Waste Program Technical Bulletin 9/2002

Petroleum underground storage tank (UST) owners and operators are required to have the funds to pay for cleanup and other damages that may occur from a release from their USTs. This requirement is known as financial responsibility (FR). Detailed information on the FR requirements can be found in Chapter 11 of the UST regulations (10 CSR 20-11).

Who Must Obtain FR?
Owners and operators of operating petroleum USTs must comply with the FR requirements. Both parties are responsible for compliance, although only one party (either owner or operator) needs to obtain FR.

Why Is FR Important?
Contamination, even from small UST releases, can threaten the health and safety of people and the environment. Tank owners and operators are responsible for cleaning up spills and releases from their tanks. Such cleanups can become very expensive, very quickly.

How Much Coverage Is Needed?
FR must cover taking corrective action or compensating third party property damages or bodily injuries caused by sudden or non-sudden accidental releases. The required amount of FR is typically $1 million per occurrence and a $1 million annual aggregate, but there are some exceptions:

1. Non-marketers with less than 10,000 gallons per month throughput need only obtain $500,000 per occurrence; and

2. Owners of more than 100 USTs (nationwide) must obtain $2 million annual aggregate coverage.

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How Do I Demonstrate FR?
The following methods may be used (either singly or in combination) to demonstrate FR:

- Missouri's UST Insurance Fund
- Financial Test of Self-Insurance
- Insurance or Risk Retention Group Coverage
- A Letter of Credit
- Trust Fund
- Surety Bond
- Guarantee
- A Standby Trust Fund

The following additional methods are for use by Local Governments:

- Local Government Financial Test
- Local Government Bond Rating Test

Copies of suggested wording and worksheets are available from the department's UST Unit or on the Internet at www.sos.state.mo.us/adrules/csr/current/10csr/10c20-11.pdf.

How Do I Apply to the Missouri UST Insurance Fund?
If you wish to use the Missouri UST Insurance Fund as your method of FR, call 1-800-765-2765 or (573) 761-4060 for an application. The Insurance Fund provides $1 million per occurrence and $2 million annual aggregate coverage with a $10,000 deductible. Participation in the insurance fund is voluntary. Visit the Missouri UST Insurance Fund Web site at www.pstif.org.

For more information, call or write:
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